



Sen. Young weighs GOP health plan

Freshman Republican studies Senate plan, says CBO score will be part of his calculation as Obamacare implodes

By **BRIAN A. HOWEY**

INDIANAPOLIS – Last Friday morning, Howey Politics Indiana listened to U.S. Sen. Todd Young speak before the Veterans of Foreign Wars, calling for an Authorization of Use of Military Force that can be used against al Qaeda, the Taliban and ISIS. “We can’t duck our war-making responsibilities anymore.

Congress cannot continue to delegate war powers to the president.”

But as he spoke those words, a domestic war brewed on Capitol Hill. Senate Republicans unveiled its version of the Obamacare replace/repeal and Majority Leader Mitch McConnell will seek a vote this week. The Senate plan is built on similar contours of the House American Health Care Act that passed by a single vote on



May 4. At this writing, at least five senators say they are against the “discussion draft” and while Young said that the Senate must act, he says he’s in the undecided column.

Continued on page 3

Team Holcomb data sets

By **BRIAN A. HOWEY**

INDIANAPOLIS – At the 2014 Indiana Republican Convention in Fort Wayne, as Eric Holcomb looked on from the dias behind him, Republican National Committee Chairman Reince Priebus recalled a conversation he had with a donor who said after the Mitt Romney presidential debacle in 2012, “If you’re not going to be big and bold, then don’t waste my time.”

Priebus explained, “I’ve never stopped thinking about that conversation. We can’t simply be a mid-term party. We have to be a presidential party. We have to grow. We have to get 60 million people to come to the polls in 2016 so we cannot



“I don’t think being a sitting member of Congress is the best advantage. The public is very dissatisfied with Congress.”

- State Sen. Mike Delph, telling HPI he sees a ‘conservative lane’ in the U.S. Senate race. He will decide by fall.



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just save our party, we're going to be big and bold to save this country."

And Priebus vowed to spend \$35 million for a data upgrade. "You have to have a national party that's competent in digital and data, because we are only ones who can hand it off to the federal candidate. So you have to have a national party that understands that you have to get your act together slicing and dicing the electorate and know what the data is and have the messages catered to the right people, depending on who you're communicating to. Consumer data sets. What does the census data say? Who's turning in an absentee ballot in every day? Who's requested a ballot but didn't turn it in so I can knock on their door? These are the things a competent party does."

Priebus, of course, is now chief of staff to President Donald Trump, who won 62.98 million votes, compared to 65.85 million for Hillary Clinton. But the targeted RNC data allowed Trump to pick off the "blue wall" states of Wisconsin, Michigan and Pennsylvania.

Holcomb is now Gov. Holcomb, another upset beneficiary of the RNC data, and tonight at the Lucas Estate in Carmel, he will kick off "Team Holcomb" before a crowd of donors and activists approaching 500. It will be a joint fundraising strategy between his reelection campaign and the Indiana Republican Party. It will split funds 70/30% between his campaign and the state party. "It allows us to streamline a lot of operations," said Republican Chairman Kyle Hupfer. "We're going to be doing many events jointly from a fundraising perspective; take advantage of synergy between governor's activities and that of the state party."

Trump waged an unconven-

tional Twitter and rally campaign, with many convinced that he could never compete with the Obama era data set the Democrats thought they had. But the foundation that Chairman Priebus put in motion gave the GOP data sets to pull away in Florida and win Wisconsin, Michigan and Pennsylvania, creating the biggest presidential upset in history. The conventional wisdom was that the data advantage forged by Barack Obama in 2008 and



At the 2014 Indiana Republican Convention in Fort Wayne, RNC Chairman Reince Priebus lays out his GOP data plans that helped fuel the 2016 upset by President Trump, as Eric Holcomb listened. (HPI Photos by Brian A. Howey)

perfected in 2012 would give Hillary Clinton the advantage in 2016. But Priebus and the RNC outmaneuvered their counterparts.

Hupfer told HPI on Monday that "Team Holcomb" will use the RNC's state-of-the-art data and micro target voters in 2018, 2019 and 2020. "Our IT and data is flourishing," Hupfer explained. "We've got a lot of the back office stuff on IT done. It's enhanced that capability. And we're working hand in hand with the RNC which is proving to have just a vastly superior data system than anyone else in the country, including the DNC."

Hupfer points to last week's special election in Georgia's 6th CD. An Atlanta Constitution-Journal Poll taken during the last weekend showed Democrat Jon Ossoff with a 7% lead,

but on election night, Republican Karen Handel won by 5%. "Once again, they were right in Georgia when everybody else was either wrong in reporting what they saw or were intentionally being misleading," Hupfer said. "But clearly the folks who are right are the RNC time and time again."

Had the RNC's data improved by quantum leaps between 2012 and 2016?

"**Absolutely,**" Hupfer responded. "Their accuracy in key targeted races was almost unbelievable. Their depth on a voter-by-voter basis is unrivaled. I don't know how much further it can go, but they are certainly the leader of the pack and are not slowing down from either a data or fundraising standpoint. The RNC continues to outclip the DNC, I think by \$6 million to \$7 million last month. What's great about that is on the RNC side, it is increasingly small dollar donors who are supporting the president. I don't see any sign of that slowing down."

Hupfer said the data has allowed the Indiana Republican Party to raise in the past four months more than it did during the 2016 presidential year, much of it coming from those "small donors" who want to support President Trump and Vice President Mike Pence.

Essentially, the Priebus-era GOP data foundation gave the Trump/Pence ticket a bedrock that allowed him to



Indiana Republican Chairman
Kyle Hupfer. (HPI Photo by Brian
A. Howey)

run an amazingly unconventional campaign.

"Absolutely," Hupfer said. "In the key targeted states, the RNC was playing heavy on the data side, moving voters in key ways from what we observed in those last couple of months. If you look, Florida was in a good place two or three months before the election and obviously the list you have (Wisconsin, Michigan and Pennsylvania) as well. It's a very targeted methodology that is going to continue to be enhanced." Hupfer said that the RNC's IT staff has "already been in three times in Indiana to talk to us, including some heavy training. This 2018 race is a chance for Indiana to embrace this data across the

board so statewide candidates, caucuses would all move to the RNC data center. This is a chance with all the boots on the ground to take Indiana's data and just have so much more volume of information in-putted so we can have that for 2019 and 2020 as well."

Hupfer believes that in what HPI has described as the coming \$100 million U.S. Senate race, the RNC data shared with Team Holcomb can enhance the eventually U.S. Senate nominee as well as the ticket that will include Secretary of State Connie Lawson, Treasurer Kelly Mitchell and Auditor Tera Klutz. ❖

Sen. Young, from page 1

On Monday, after the Congressional Budget Office scoring revealed 22 million Americans could lose coverage though it would cut \$320 billion in budget expenses over the next decade, Young reacted, saying "The CBO score is one of many data points I'll look at when making my decision. It has value, but it also has limitations, not the least of which is how profoundly the continued unraveling of Obamacare will affect Hoosiers."

David Nather of Axios observed today: Unless Senate Majority Leader Mitch McConnell can change some of his members' minds pretty quickly, it's looking like he might not have the 50 votes he'd need for a procedural motion that would bring his health care bill to the floor. The CBO's estimate that 22 million more people would be uninsured under the Senate bill was a steep — and maybe fatal — setback. The proof: Sen. Susan Collins tweeted that she'll vote against the procedural motion to bring up the bill on Wednesday. Others have been making noise, too. If enough Republicans vote against it, the whole effort



could end right there.

For nearly an hour, HPI discussed the coming health care vote, its impact on hundreds of thousands of Hoosiers, and the prospects for other domestic priorities of President Trump, including tax reform, the debt ceiling vote, and an infrastructure program. This interview is presented below.

In the next HPI weekly edition, we'll follow up with Sen. Young on international and intelligence issues.

HPI: What is your take on the Senate Republican health care plan? I haven't seen your name on any no-vote lists so I assume you're going to support it.

Young: I am officially undecided. I'm still reviewing the package. I've been in contact with the governor, having conversations with him and his folks. I've been in contact with our insurance commissioners, state actuaries. We're trying to get a sense now that text is available. We're in touch with health care providers, patient groups. I'm just trying to make the most informed decision I can. I know this: Doing nothing is not an option. We've got 70

million Americans who live in geography where there is no choice.

HPI: Are you talking about the 47 counties nationally with no coverage?

Young: No, 70 million Americans have no choice. They either have one or none at all. That's no competition, that leads to higher premiums, no consumer choice, all the negative things that tend to be associated with the existing law. Here in Indiana, we have 63 counties where there is no choice, already. That number just may well grow. To say that what we have now just requires some tweaking I find

HPI: The tweaking should have occurred five or six years ago, but everyone dug in and this is where we're at.

Young: Yeah. That's water under the bridge. I don't want to get into finger-pointing but there was an opportunity to tweak. That time has passed. We need to act. That means regulatory action; that will mean subsequent legislative action, because now what we're primarily engaged in is trying to shore up the markets and reform the financing of health care. We're not reforming the delivery of health care, and that's where the real cost curve bending will be realized. That takes 60 votes to reform the delivery of health care. It's incredibly complicated to do this. We should probably over years develop thorough flexible and rigorous policies to telemedicine. We're still learning about these things. I know there's still a large degree of agreement on some of these issues, because I'm the only U.S. senator to my knowledge who has called every member on the other side of the aisle on the phone, written them a letter soliciting their ideas. I didn't connect with everyone but connected with a lot. Value-based care on a fee-for-service model is generally popular across party lines. That's a real foundation we can build on. Piloting new solutions, new preventive measures to improve health and save money, is generally popular. That means that part of the ACA, the Center for Medicaid Innovation, that laboratory of health care delivery, is something we need to preserve. That didn't used to be the Republican position, but I was able to get Secretary Price on the record indicating he thinks it needs some reform, but also preservation. There's common ground to be found there, a range of issues where there can be common ground, but there is a recognition that the political atmosphere is such that Republicans and Democrats aren't going to come together.

HPI: The proverbial two ships passing in the night.

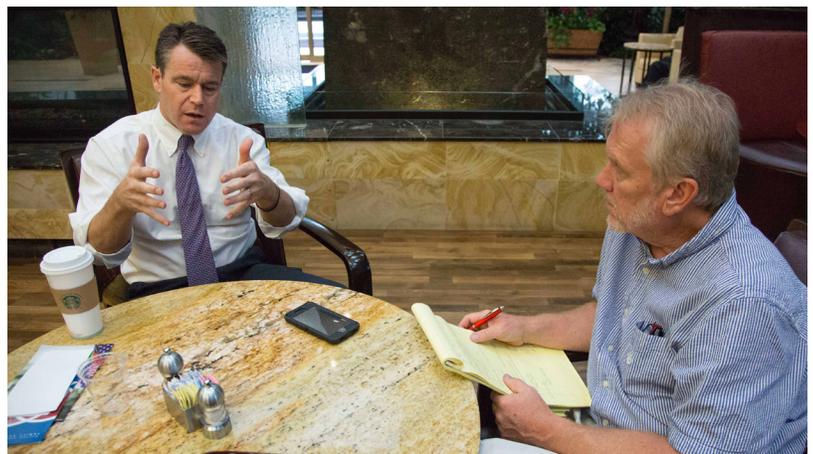
Young: Yeah. Look, there are reasons for that; there's blame on both sides. Some of it has to do with the language that public servants use, those in the media, with respect to our public debates, questioning the motives of our colleagues. There's all kinds of factors. The environment does not exist right now to act legislatively and get up to 60 votes. That environment may change in

coming months, but I think it would be irresponsible for us not to try and improve on the current system. I hope this bill does. There's a lot of positives to it.

HPI: The sins of 2009 and 2010 were that the ACA was developed in secret and was a gigantic case of social reengineering occurring on a partyline vote. The Republicans appear to be repeating those sins today.

Young: The process is highly imperfect. I've done what I could to reach out to members on the other side of the aisle. Candid conversations they shared indicate the political atmosphere was not conducive to a path to victory right now. With this many Hoosiers without consumer choice, I feel I have to act and have a responsibility to do so. We're doing the best we can. We're making a down payment on a promise many of us have made to Hoosiers to act boldly and reform this health care system.

HPI: What happens to HIP 2.0, which has been universally praised? The governor has said that's a priority.



U.S. Sen. Todd Young during his HPI Interview with Publisher Brian A. Howey. (HPI Photos by Mark Curry)

But after the House plan passed, we saw potential funding challenges for the Indiana General Assembly in the hundreds of millions of dollars. Under the Senate plan, what happens to HIP 2.0?

Young: The legislative leaders have told me that Medicaid and Medicaid expansion are a priority for them. I think it's a priority for the people of Indiana. The governor has indicated in comments on the AHCA bill that what he wanted was a glide path into a new system. He also wanted a more flexibility, because Indiana has done a good job of crafting our own plan. We provide more flexibility, a glide path into a new environment. We're actually increasing Medicaid funding at the rate of inflation and we're increasing mental health services within Medicaid.

HPI: The critics of both the House and Senate plans talk about a transfer of wealth: A big tax cut for the wealthy and longterm cuts in Medicaid to the tune of \$880 billion in the House plan, prompting President Trump to call it "mean." Is that a fair criticism?

Young: No. That's not my reading of the bill at all. The bill will stabilize the rate of growth on health care

premiums. There's more that could be done if we had 60 votes that would stabilize that rate of growth. We are awaiting projections to see if that rate of growth bends downward. That's the individual market. With respect to Medicare, we make actually no changes. I think these are things most Hoosiers find acceptable. With regard to the tax cuts, No. 1 we want a growing economy. If we can reduce the medical device tax, we've eliminated that to the benefit of Hoosiers. The health insurance tax is one of the drivers of health insurance premiums, so I don't think we're going to tax our way into an optimal health care environment. Right now we're dealing with a broken system we can't continue to throw money at. We have to fix the system itself.



HPI: Is President Trump engaged in this process? It seems to me he's just reacting, that he just wants a big deal. He doesn't seem to have a grasp of what's in the law. He celebrates with House Republicans on May 4 and then tells you guys that bill is "mean."

Young: The president has delegated authority. Yesterday he spoke commendably about the Senate bill. Frankly, I'm still studying it and trying to tease out the merits of it.

HPI: Is there any scenario where you would vote against it?

Young: Yes. Absolutely. After studying it if I don't think it's right for Hoosiers, then yes, certainly. I'm very openminded.

HPI: Then you're going to have a very busy week-end because McConnell is calling this down next week. And what's the rush? Why does this vote have to occur before July 4? What's wrong with voting on it July 24?

Young: Because I don't think a whole lot will change in a couple of weeks; we will have plenty of time to discuss these issues. We're reading the text, trying to connect our earlier conversations and debates to the text and make sure we're comfortable with various provisions. There has been some openness to receiving new ideas and amending the text. We have to prepare for that. As for the timeline, people forget we're bumping up against a debt ceiling vote. We want to make sure we keep this government funded. We want to get tax reform done. And the American people expect an effort at an infrastructure package. So there's a very ambitious agenda ahead of us. That's why there's an imperative to act. Moreover, the health insurance markets are collapsing. People diagnose this differently. My diagnosis is that Obamacare is in a death spiral and insurers are starting to question whether Congress is going to be able to fix Obamacare or to repeal and replace it. I try to stay away from the divisive language. The real question is: Are you going to come up

with a sustainable health care system? They're starting to flee. That's why Anthem pulled out of the Indiana market. I feel a real bias to act. We've seen that days matter.

HPI: On the debt ceiling . . .

Young: I've always voted for the debt ceiling. We pay for our debts. If you don't vote to raise the debt ceiling, the risk for buying U.S. debt instruments increases and you increase the national debt.

HPI: Is there a scenario where there isn't a vote on the debt ceiling and the government shuts down as the president suggested last month?

Young: Anything can happen in Washington. I sure hope not.

HPI: I know. I ended a dozen columns and stories over the last 15 months with "anything can happen" and I was right.

Young: That's right. I sure hope not. People of Indiana didn't send me to Washington, D.C., to shut down the fundamental operations of the government. They sent me there to solve problems.

HPI: What are you working on?

Young: I'm working on a lot. I'm working to increase foreign aid, we have a real interesting initiative on that front, ensuring our State Department and our development agency USAID put together a national diplomacy and development strategy just as the Pentagon does statutorily every four years. It looks like that will become law. You've heard my emphasis on the authorization of the U.S. use of force.

HPI: Is that going to pass?

Young: I think it has a fighting chance.

HPI: What's the impediment to passage?

Young: It's difficult defining parameters. Some people want to establish a firm sunset date, others want it to be a review period. Others prefer none whatsoever to send a message that we're in this for the long haul. Then there are questions on detention policy, whether that should be embedded or not. You can legally detain enemy combatants and gather intelligence from them. Candidly, it's a lot easier to delegate this authority to the president. It's not popular to own a war, but we have a moral and constitutional authority to move forward on this front. Domestically, I'm still trying to come up with creative and common sense ways to serve the poor, the vulnerable, the at-risk, whether it's a clearing house of best practices at the federal level that communities and states can draw on, or a way of leveraging the power of public and private partnerships to serve those populations. I'll be spending August visiting distressed and low-income communities with low rates of business development and high rates of unemployment to learn what kind of government assistance can help these areas. I want to learn more about the concerns, aspirations and opportunities facing these communities. This will be an ongoing effort.

HPI: President Trump, Vice President Pence and Speaker Ryan have all been talking about tax reform, and

that's something you and I have been talking about for the last five years. Will you play a role in that?

Young: Yes. I think I have an ability to play an out-sized role within the Republican conference on the Senate side. I sat on the tax-writing committee over in the House, worked with many of those individuals. There are bipartisan and bicameral conversations to have, so I could play a positive role there. I have better than a semblance of some of the issues at stake here on tax provisions that are important to Hoosiers and their priorities. A couple of years ago I conducted a tour of regional chambers of commerce to talk about these issues.

HPI: Are the contours taking shape on tax reform? President Trump cites legislation advancing, but there isn't a bill.

Young: I can speak more confidently about what is unlikely to happen.

HPI: Did tax reform come up when you had dinner with the president at the White House?

Young: This did not. I think it's unlikely that Congress will assume a featured growth rate of 5%, which is what the administration's assumptions were. My preference is to have a more modest assumption of growth rates, given that we're \$20 trillion in the hole as a country. We don't want to blow a big hole in the budget. That said, I do think that some measure of dynamic scoring, which takes into account growth effects of increases should be

part of this package. That's not to say it has to be completely revenue neutral as scored by the Congressional Budget Office, because they don't take into account the growth effects. But we can't have completely unrealistic growth expectations.

HPI: Would 2.5% to 3% be realistic?

Young: Yes. I'm not certain where the red line is but I'm going to be pushing for modest expectations with the understanding I've never gotten everything I've wanted. I think simplicity should be our lodestar, rate reduction will be a byproduct. And then with international taxation, we need to stop double taxing profits of U.S. based multi-national corporations. They earn profits overseas and they don't repatriate them because they're not only taxed in the host country, but the United States uniquely also taxes profits when they are repatriated and this leads to a lockout effect where we have stranded capital overseas. We have an opportunity for more favorable treatment and parity with our economic competitors by changing that system. Money will come back, and this may be a political deal to be reached across party lines. A portion of that repatriated capital could be dedicated toward infrastructure. That's the third leg of the Trump agenda – health care, tax reform and infrastructure – though there is not a lot of clarity on what that infrastructure plan will look like. It's mostly public/private partnerships, but this could provide additional capital. ❖

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The problem with KISS

By MARK SOUDER

FORT WAYNE – As kids, my sister Nancy and I sorted returnable pop bottles at our family’s general store for 35 cents a day. It may not seem like much, but I could purchase a box of baseball card packs for about \$1.75, which is where my money went. My parents tried to lure me away from baseball obsession by offering to pay half of any non-fiction, non-sports books I purchased. Early business acumen led me toward history and political books.



But our family was in the furniture business, not politics or baseball. So my dad decided to pay me a dollar for each motivational record I’d listen to. Things like “Acres of Diamonds” and “Think and Grow Rich.” The real money bomb was an entire album of KISS talks: “Keep It Simple Stupid.” The

U.S. Navy originated the phrase to stress that simplicity should be the goal in design and unnecessary complexity should be avoided. My dad had been a naval officer so obviously was attracted to the idea. Me, not so much.

My good friend Steve Largent used to joke that if you asked Souder what time it was, he told you how they built the watch. While I am perfectly capable of coming up with simplistic twits and tweets, catchy marketing phrases, and 30-second ads, it is not the way I generally talk and write.

However, the idea of KISS was not to reject complexity. For example, in the construction of an aircraft carrier, let’s hope that there is in-depth engineering development behind every pump and each bolt. What the Navy meant was that, depending upon the ability of the person you are addressing to comprehend (or needs to know), simplify your message so they can understand it.

In retailing, some people abused the concept by deciding that they should only “sell the sizzle not the steak.” This soon translated into lots of gimmicky phrases and sophisticated wording on menus, with not enough people worrying about the quality of the steak.

The transition to politics is really simple: Elections are the marketing division of government. Ideally, the marketing division is connected to the production division, but in the private sector we see many businesses fold because these two things are not connected. Some, with a good product, fold because they can’t

market. Others are all marketing, as in the expression, “all hat, no cowboy.”

Today we have a president who clearly took to heart the business sales message technique of “Keep It Simple Stupid,” carried to an extreme. Let’s take, for example (there are many from which to choose), the president’s promise to build a wall along the border with Mexico. Rather than editorializing, let me quote from his former mega-fan Ann Coulter’s recent tweet rants. “Today’s BORDER WALL CONSTRUCTION UPDATE: Miles completed yesterday – Zero; Miles completed since Inauguration – Zero. NEXT UPDATE TOMORROW.”

Another: “This daily Trump melodrama is worth it ONLY if he’s really going to build a wall, cut off Muslim refugees and deport illegals.” And another zinger: “Anyone in a Southwestern state who strolls to the border and drops a brick will have done more to build the wall than @realDonaldTrump.” Ann Coulter, who had been one of Trump’s most vocal supports, is worried that Trump KISS message may not have been based upon a more complex thought process.

The president is learning, maybe, some basic things such as that each part of the border is different. Different types of fencing are needed for different soils. For example, the Yuma, Ariz., area has a “floating fence” because of shifting sand dunes. The Lower Rio Grande River along the Texas/Mexico border is the most difficult to control. It is the most direct route north from Mexican population centers. Central American and South America immigrants cross in that area. In the valley, the Rio Grande is a never-ending series of S curves. For many miles, the fence (i.e. wall) has to be BEHIND the Border Patrol



agents.

Furthermore, from the California coast to Brownsville there are hundreds of miles where there are minimal roads near the border. To better control it, there must be not only more fencing but many more agents, more

electronic surveillance, more drones, and other assets or a "wall" of any type is irrelevant. I fought for every mile of the current fence, but also for all the other parts.

When the Republicans took over Congress in 1995 with Bill Clinton as president, we forced the doubling of the Border Patrol agents from 5,000 to 10,000. Under President Bush, we doubled it again to 20,000. Under President Obama it remained pretty stable, but, ironically, under Trump, if anything there is slippage right now. Rhetoric is not action.

We cannot logically, and fairly, deal with the "status" question until the border is more controlled. We have made progress, actually a lot, but we do not yet have control of our nation's borders. If you give any variation of amnesty without the border being more established, we will soon have millions more here illegally who think that they too will get status.

The fundamental political question today, on both sides, is whether or not politics has become so ideological



that people believe marketing slogans are not the tip of an iceberg but the entire iceberg. If so, we are going to ping-pong between the Bernie Sanders Warren and Trump-style responses, as things deteriorate.

In Dan Coats' Senate office, we used to have a 1-5-20 rule. Have a one-page summary, but have five pages in case he had more questions. And he wanted to know that there were 20 behind it in case we decided to go

to battle on an issue. Sometimes it seems as if the White House is functioning with a 1-1-1 rule. Or tweet-tweet-tweet.

If voters and those who seek to get elected keep acting as the solutions are actually simple, then the point of "keeping it simple stupid" in communications merely drops the "simple" part. ❖

Souder is a former Republican congressman from Indiana

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Delph sees a ‘conservative lane’ in U.S. Senate race

By BRIAN A. HOWEY

INDIANAPOLIS – Vowing to keep his options open for 2018, State Sen. Mike Delph told Howey Politics Indiana on Monday that a “conservative lane” exists in what will be a crowded Republican U.S. Senate field. “The U.S. Senate race is wide open,” Delph said. “I don’t think being a sitting member of Congress is the best advantage. The public is very dissatisfied with Congress.”



That was an obvious shot at U.S. Reps. Luke Messer and Todd Rokita, who are expected to get into the race this summer. Delph is also considering a third

term in the state Senate.

Delph said he has met with the Senate Conservative Fund, Club For Growth and the Republican Senatorial Campaign Committee. He notes that he stepped aside in the 2012 and 2016 races after he was lobbied not to “split the conservative vote” with Richard Mourdock and Marlin Stutzman by figures like Chris Chocoma and David McIntosh. But this time, he won’t let that sentiment sway his decision. “I’m in a strong position to choose my path this time,” he said. He said that ballot tests against U.S. Sen. Joe Donnelly show that “no one on the Republican side is beating Joe Donnelly. I think there’s a definite opening.”

He said if he gets in, he will run a grassroots campaign. He ran in 2002 for secretary of state, losing at the convention to Rokita. But he’s kept contact with Tea Party and social conservative groups statewide. He also believes the country is on a “cataclysmic course with the future prosperity of America at stake” fearing that the “generational credit card” will be saddled on his kids and grandkids.

Delph also believes he is the only Republican who can defend SD29, since the district is trending Democratic and the majority is in Indianapolis. He said he possesses a “copy of the campaign plan” against him from the “Bill Oesterle and Freedom Indiana crowd be-



State Sen. Mike Delph is weighing a U.S. Senate bid and Courtney Tritch (right) and has entered the Democratic 3rd CD race.

cause they’re idiots.” He said that Carmel Redevelopment Commission Executive Director Corrie Meyer, who declared for the seat, “will not sell well in Indianapolis or Carmel.”

And, Delph said, the fact that the Republican majorities voted for 45 tax and fee increases sets him apart. “I voted against most of them,” Delph said. “Back in the 1980s, you would have been primaried for most of those votes.”

Delph said his decision “won’t be a long, drawn-out process. Going into the fall, we’ll know what we’re going to do.”

Meyer, 39, told the IBJ she’s running because she thinks the district needs “an effective and efficient senator,” and she believes she has those skills from her experience as an urban planner. Informed and reliable sources tell Howey Politics Indiana that Zionsville Councilwoman Susana Suarez and attorney John Westercamp are other potential candidates. Suarez recently left the staff of Gov. Eric Holcomb.

Congress

2nd CD: Dems search for candidate

The Democratic party’s 2016 nominee, Lynn Coleman, has expressed interest in a rematch with U.S. Rep. Jackie Walorski. But South Bend Tribune columnist Jack Colwell tells HPI that Democrats will be polling the 2nd CD sometime after the Senate health reform vote. “Results could have an effect on possible contenders,” Colwell explained. “I’m told Lynn would like to go again but wouldn’t do so if the party leaders find somebody with a better chance. They are looking.”

3rd CD: Tritch enters Dem primary

Courtney Tritch, former vice president of marketing for the economic development group Northeast Indiana Regional Partnership, said in a Facebook video that she will run for the seat occupied by Republican freshman Rep. Jim Banks of Columbia City (Francisco, Fort Wayne Journal Gazette). Tritch said in the minute-long video that she will provide information about her candidacy at an “official campaign launch event” July 6. The Journal Gazette reported June 13 that backers of a 3rd District Democratic candidate were planning a July 6 announcement at Foster Park. At the time, organizers would neither confirm nor deny speculation that Tritch was that candidate. In her video Tritch said, “I’m so excited to announce today that that rumor is indeed true.” Tritch,

who operates a marketing firm called Courtney Tritch Consulting, would become the third announced Democratic candidate for Banks' seat, joining David Roach and Tommy Schrader, both of Fort Wayne. Roach and Schrader are both multi-cycle fringe candidates.

4th CD: Morales eyes candidacy

Diego Morales is pondering a run for the 4th CD seat in the seat that U.S. Rep. Todd Rokita is expected to give up for the Senate seat. District GOP sources tell HPI that State Rep. Heath VanNatter, Workforce Development Director Steve Braun and State Sen. Brandt Hershman are others who could enter the race. Once Rokita announces for the Senate, that field could grow into double digits.

8th CD: 5 Democrats explore runs

Evansville Courier & Press columnist Jon Webb reports that at least five Democrats are pondering a challenge to Rep. Bucshon. The only declared candidate is 27-year-old Glen Miller, who is a Bernie Sanders supporter. Webb said that Vanderburgh County Democratic Chairman Scott Danks wouldn't name the five potential candidates. "In general, the more options voters have, the better the result will be for them in the end," Danks said. "In politics, competition is necessary. It keeps people more honest and in tune with constituents. I welcome other primary contenders. At this point we're kind in a holding pattern, but it won't last long because a decision has to be made soon. I can assure you that we'll have a very, very strong candidate in the 8th, and in my opinion they'll take the 8th District."

General Assembly

SD11: Challenger for Sen. Zakas

State Sen. Joe Zakas is weighing the pros and cons of running for another term. It comes as Linda Rogers announced she will challenge Zakas in the primary. Rogers (pictured) told the Elkhart Truth that she will be a "fresh voice and face, that will bring fresh perspectives. This is the people's seat. It does not belong to any one man or woman but to all of us. As a political outsider with decades of experience in the private sector, I will bring a unique perspective to the legislative process and a true representation of the values of the district." Rogers, a former educator and restaurateur, now owns and operates Juday Creek Golf course and is president of Nugent Builders, a homebuilding company. She was the first female president of both the



National Golf Course Owners Association and the Indiana Home Builders Association. "I am not a career politician," said Rogers. "I have held many titles in my life – wife, mother, teacher and business owner – but politician is not one of them. I am running now because I care deeply about our community and believe that a fresh perspective will help to tackle our most difficult issues." Matt Zapfe of the Senate Majority Caucus campaign told HPI that Zakas "always weighs the pros and cons" and plans to make a decision "in the next couple of weeks." Zakas, 67, has represented the district since 1983.

SD45: Smith hasn't made decision

Zapfe told HPI that State Sen. Jim Smith is still deciding whether he will seek a third term. Zapfe said that Smith's online fishing tackle business has been successful and is taking more of his time. No other Republican has announced for SD45.

Presidential

Mayor Buttigieg forms Hitting Home PAC

South Bend Mayor Peter Buttigieg, fresh off an appearance on NBC's "Late Night with Seth Meyers," has formed a leadership PAC. It comes as a scheduled appearance in Iowa this September has fueled speculation he might enter the 2020 presidential race. Buttigieg explained, "As the mayor of South Bend, Indiana, I see on a daily basis the impact of politics and policy on my family, neighbors, friends, and residents. Earlier this year, I ran for chair of the Democratic National Committee because of a sense, in communities like mine, that national politicians were talking too little about us and too much about each other, and themselves. The upcoming elections in 2017 and 2018 offer an opportunity for the Democratic Party to change that, rebuild, and once again be rightfully known as the party that cares about people and works to make their lives better. Yet success, in the short and long term, is far from guaranteed."

Buttigieg added, "As we approach the second half of 2017 and prepare for 2018, I remain concerned that The Show in Washington is disconnected from our everyday lives. It is so absorbing that it crowds out attention to what happens in our homes, families and communities as a result of policy decisions. This is a recipe for political frustration and policy failure. That's why I've decided to establish Hitting Home, a political action committee that is dedicated to elevating the voices, concerns, and aspirations of Americans who no longer feel like they have a seat at the table in our political discourse. Hitting Home will mobilize resources to elect Democrats, at every level and in communities both red and blue, who will put the lived experiences of Americans front and center. We will support candidates who focus on showing voters what we are for – not just what we are against – and understand how to do so in terms of our everyday lives." ❖

Young, Donnelly talk bipartisan reform

By **BRIAN A. HOWEY**

NASHVILLE, Ind. – Freshman Republican U.S. Sen. Todd Young articulated this month what should be a no-brainer: The looming health care reform legislation should be a bipartisan effort. Young wrote to the 48 members of the Senate Democratic caucus, “If we are going to achieve lasting results, we need to reach bipartisan conclusions. I firmly believe the best solution possible can be reached by working together. As this debate advances, give me a call; I would be happy to grab a cup of coffee and hear your thoughts and ideas.”

He found partial agreement with Democratic Sen. Joe Donnelly, who said on the Senate floor Monday, “Indiana and our country would be better off if we could work together to produce bipartisan legislation rather than a partisan bill drafted in secret and voted on without input or a single Senate hearing.”

Where Donnelly parts with Young is his belief that President Trump and congressional Republicans purposely blew up Obamacare instead of working over the past seven years to evolve the law. In his view, this has accelerated under President Trump. On Wednesday, we learned that Indianapolis-based Anthem and MDWise are pulling out of the Indiana Obamacare exchange. Anthem covered 46,000 Hoosiers in all 92 counties; MDWise covers 30,000 and it plans to emphasize service to the 370,000 Hoosiers in the Healthy Indiana Plan 2.0. Under the House plan passed on May 4, a rapid Medicaid defunding could destabilize the state’s hospital system and the General Assembly could be faced with a HIP 2.0 funding gap in the hundreds of millions of dollars.

Donnelly used quotes from President Trump last winter that he wanted to “blow up” Obamacare, then blame Democrats. “I don’t want people to get hurt,” Trump the Wall Street Journal. “What I think should happen, and will happen, is the Democrats will start calling me and negotiating.” As Slate’s Jordan Weissmann observed, “Welcome to the Tony Soprano school of health policymaking.”

Donnelly explained, “If your house needs repairs, you don’t set the house on fire. You work to fix the issues. If we’re serious about improving the health care system in this country, we can do it, and we can do it working together. But the first step is to do no harm, to stop doing damage to the current system and to the people who rely on it. Health care is not a game. This is about people’s health, economic security and real lives.”

On Thursday, after Senate Republicans repeated

the Democratic policy sin of 2009-2010 by developing a partisan health reform bill in secret, the details of the new legislation that could be voted on next week emerged, coming a week after President Trump called the House-passed American Health Care Act “mean.” When that plan passed on May 4, he invited House Republicans over and celebrated with a Rose Garden beer party. Trump is clueless on the emerging details. He simply wants to sign something/anything and declare a big deal victory.

For those of you who do delve into policy, the Senate plan would, according to Axios and NBC’s First Read: Keep subsidies like Obamacare, but only up to 350% of the federal poverty level starting in 2020, not the Affordable Care Act’s 400%. It will have a four-year reinsurance program to help state insurance markets. The ACA’s cost-sharing reduction subsidies – one of the main things insurers say they need – would be funded through 2019. States would get to waive some of the ACA’s insurance regulations. Medicaid expansion will be phased out more slowly than in the House bill, ending the expansion in 2024.



NBC’s First Read notes: “Senate Majority Leader Mitch McConnell is calling this a ‘discussion draft,’ but the vote is still supposed to happen next week. Does the bill already include, for example, a dedicated fund to combat the opioid crisis? Are all its funding levels filled in – and final? On an already compressed timeline, how much negotiat-

ing will happen at the 11th hour?”

And Axios observes something that should make Sen. Young happy: Democrats (and Republicans) will have a “virtually unlimited opportunity to amend it during the budget process on the floor” next week, per Chairman Lamar Alexander.

So there will be high political drama as we head into the Fourth of July. Conservatives like Kentucky U.S. Sen. Rand Paul see the emerging Senate plan as “Obamacare Lite.” Moderates like Ohio Sen. Rob Portman and West Virginia’s Shelley Moore Capito are wary of the Medicaid defunding. Both states, to a more severe degree than Indiana, are in the grips of the opioid/heroin/fentanyl pandemic, with Ohio expecting 10,000 over dose deaths this year.

The House-passed plan could have ended health coverage for up to 28 million people, according to the Congressional Budget Office. Its score of the Senate plan put that number at 22 million. So the stakes are high. If Republicans don’t get this right, they will own it. Since 2010, Obamacare has eviscerated Democratic majorities in Congress and some 30 state legislatures. It behooves everyone on Capitol Hill to work together and compromise.

I’m not holding my breath. ❖

That ‘mean’ bill will impact Senate race

By JACK COLWELL

SOUTH BEND – The “mean” health care bill passed by House Republicans could be a key issue in the nationally important U.S. Senate race in Indiana next year.

It will be if Sen. Joe Donnelly has anything to say about it. And Donnelly, the Democratic incumbent facing a very tough race, already is saying a lot about it, calling the plan not just mean, but disastrous.



The House Republican plan could be a key issue in Indiana because Donnelly’s Republican opponent is likely to be a Hoosier congressman, either Todd Rokita, 4th District, or Luke Messer, 6th District. Both are angling for the GOP senatorial nomination. And both voted for and praised passage of the House health care bill.

The description of the bill as “mean” comes now from President Donald Trump. But didn’t Trump pressure House Republicans, many skeptical about what was in the bill, to pass it anyway? Yes. Didn’t the president invite the bill supporters to a victory party in the Rose Garden to celebrate? Yes. And didn’t he hail it then as a “great plan” well-crafted?

Yes.

The president did no favors for Rokita and Messer and other Republicans who voted for the bill he wanted in order to claim a political victory and celebrate. In conceding now that the “great plan” really is “mean,” Trump acknowledges what critics said about it from the start. Critics, including doctors, hospitals, the AARP, health insurance providers and consumer groups, said it was mean in curtailing health care, especially for underprivileged children, the elderly and those unfortunately with preexisting conditions, and knocking 23 million Americans off health insurance.

Rokita and Messer are intelligent, politically savvy. They knew the thing pushed through the House without hearings or cost analysis was bad. They also knew it had no chance in the Senate. Indeed, if the House version was enacted as the new Trumpcare to replace Obamacare, it would be so unpopular that Republicans could lose the House in 2018.

Most House Republicans voted for the bill, not with

intent that it would become law as is, but as a way to get something moving, to show they voted to repeal Obamacare and to give the president the boost he demanded. They hoped the Republican-controlled Senate would eventually provide a different version, not as mean, not the malpractice version of the House.

Trump came to understand this. He was told that the House bill really wasn’t something to celebrate. He was told that the Senate needs to do something to improve it. But he didn’t need to label the work of House Republicans as “mean.” If indeed the Republican Senate nominee is, as expected, Rokita or Messer, Hoosier voters are going to be reminded in myriad political ads and speeches that they voted for a House health care plan so bad that even President Trump called it “mean.”

Already, the Indiana Democratic Party sends out statements with titles such as: “President Trump: Congressmen Messer, Rokita supported ‘mean’ health care bill.” It also refers to “Congressmen Messer’s and Rokita’s bill.” Like saying: “You vote for it, you own it.”

Donnelly has denounced the House bill as repealing the most popular provisions of the Affordable Care Act, Obamacare. Polls show that Obamacare has become more popular, way more popular than that House health care bill. Donnelly contends that the Trump administration is sabotaging Obamacare, trying to destroy it “by creating instability and chaos” that drives out insurance providers and discourages enrollment in successful plans such as Indiana’s HIP 2.0.

Fix it, Donnelly says: “If your house needs repairs, you don’t set the house on fire. You work to fix the issues.”
If Republicans, controlling House, Senate and



White House, do provide a popular Trumpcare to fix the health care system, votes for that initial, “mean” House bill won’t be so negative for Messer or Rokita. If the effort fails as health care burns down, then it could be a decisive plus for Donnelly. ❖

Colwell has covered Indiana politics over five decades for the South Bend Tribune.

Few special CD elections are special

By CHRIS SAUTTER

WASHINGTON – When Democrat Jill Long won an upset special election victory for Dan Quayle’s old House seat in the heavily Republican Fort Wayne area congressional district back in 1989, Lee Atwater, who was the



newly installed chairman of the Republican National Committee, told the New York Times he was ashamed his party lost. “She ran the kind of campaign I would have been proud of,” Atwater, the king of hardball politics, lamented.

Atwater, who was fresh from masterminding George H.W. Bush’s presidential victory in 1988, could afford to shoulder the blame. Much has changed in the world of congressional campaigns

in the almost 30 years since that Indiana race. But there is still a lot of hand-wringing and finger-pointing after an election loss in a high profile race, as in the June 20 Georgia 6 special election.

Party leaders should be apologetic when they lose a special election in a district drawn for their own candidates. Partisan make-up of a congressional district weighs heavily on the outcome. Republicans usually win special elections in Republican districts and Democrats usually win in Democratic districts. Upsets tend only to happen when there are special circumstances present, such as a scandal-ridden retiring incumbent or a favored candidate who takes the outcome for granted. Of course, special elections in swing districts will be genuinely competitive, but there are fewer of them because a president will try to avoid recruiting members for administration jobs from such districts due to the possibility of losing a seat.

In Barack Obama’s first year as president, Democrats ran the table on special elections, just as Republicans have this year. The difference is Democrats won two of the five races then in more difficult terrain than any of the races Republicans have won this year.

In April 2009, for example, Democrat Scott Murphy narrowly won a special election in New York’s 20th Congressional District to replace Kirsten Gillibrand, who was appointed to the U.S. Senate to succeed the new secretary of state, Hillary Clinton. Traditionally conservative, the district had been in Republican hands in all but four years in beginning 1913 before Gillibrand, a Democrat, won the seat in 2006. Murphy, who ended up losing in 2010, won the special in large part due to the popularity of both Gillibrand and the new president, Barack Obama.

Similarly, in New York 23 Democrat Bill Owens, aided by a Tea Party challenge to the Republican estab-

lishment candidate, narrowly won a special election in November 2009 after President Obama appointed Republican U.S. Rep. John McHugh as secretary of the Army. The 23rd District has historically been one of the most Republican districts in the country.

There are no moral victories in politics because winning is the bottom line. That said, it is without question that Democrats have outperformed their 2016 numbers in all four of the special elections this year.

In Georgia 6, for example, where Democrats believed they had the best chance of competing of the four districts, the Republican performance is rated as plus 8% by the highly respected Cook Partisan Index. Further, although Donald Trump carried the district by less than 2%, HHS Secretary Tom Price, who vacated the seat to take the cabinet post, won the conservative district easily in 2016 and 2014 (with 62% and 66% of the vote respectively). Democrats forced Republicans to spend heavily with big dollars to hold districts that they should have easily won, while Democratic candidates raised most of their millions from small donations.

Nevertheless, this year’s special elections have exposed weaknesses that could undercut efforts to take or protect the House majority in the 2018-midterm elections. The Republicans may have to overcome historically low presidential approval numbers. Historically, a president’s favorability ratings are the best indicator of whether the incumbent party sustains big midterm election losses. Trump was clearly a drag on each of the Republican candidates in all four of this year’s special elections. But in those districts, it was not enough to overcome the Republican partisan advantage. Democrats would likely have won any swing district specials had there been any.

Republican candidates may also have to defend an extremely unpopular health care law. It is not yet apparent whether the Senate health care bill will pass or that the House and Senate can reach agreement, if it does. But it is obvious that attempts by Republican leaders to push a bill that imposes deep cuts in Medicaid are raising alarms in both red and blue states. GOP Senate leaders face growing opposition even within their own caucus from both conservatives and moderates.

Even after losing four special elections, Democrats would still seem to have the wind at their back. That is not to say that winning control of the House of Representatives will be easy as some Democrats seem to have thought. Democrats held onto the hope that Donald Trump’s low favorability ratings would carry the day with one or more of these special elections.

There are 23 Republican held seats that Hillary Clinton carried. Democrats need 24 seats to win majority and they won’t win all 23 of the districts Clinton won, since some of those Republican incumbents are personally too popular. However, there are likely enough swing districts in states like California, Florida, Pennsylvania and others, that can get them to 24 when added to whatever number of blue districts they win. ❖

The crisis of full employment

By CRAIG DUNN

KOKOMO – The economy in Indiana is very close to reaching crisis levels. No, this isn't the kind of crisis that comes from a decline in business revenues and the resulting unemployment. This is a crisis born of success.

The evidence of this impending crisis is everywhere. You just can't go anywhere, from the Ohio River to the St. Joseph River, and not see signs of big problems ahead for the Hoosier State. These are not figurative signs of crisis. They are literal signs that our 12 years of consistent economic success are in jeopardy. These are the ubiquitous "Help Wanted" signs in just about every storefront, restaurant, healthcare and manufacturing business in our great state.



Collectively, government and the private sector have experience dealing with declining revenues and rising unemployment. We've had a lot of practice over the past hundred years dealing with this cyclical malady. However, we've rarely seen a time, with the exception of times of war, when the success of some businesses and industry is in doubt due to a shortage of employees.

Many in the public sector and in government would tell you that this is a great problem to have and, to a point, it is. However, there are forces at work that make our current employment crisis nearly unsustainable. Economics 100 textbooks would tell you that as the demand for labor rises, incomes rise as well. The better-paying businesses will attract employees from lower-paying businesses and that will lead to a trickle-down effect on personal incomes from the most skilled to the least skilled.

The number of people on government assistance, Medicaid, food stamps, etc., will decrease as workers leave a government-funded lifestyle for the private sector. Newly minted college and trade school graduates will find employment and everyone from unskilled high school dropouts to ex-convicts can find a job. Crime rates should decline, optimism about the future should rise and more babies should be born.

People who are unemployed in surrounding states should move to Indiana, where there is greater economic opportunity. That's how it is supposed to work and it has worked that way to a point, but you get a sense when you speak with employers at all levels that the supply-and-demand curve for labor may not be as efficient as anticipated.

What has happened that has caused this disruption in the supply and demand curve? Have the immutable laws of economics been shattered? I don't believe that the laws of economics have been permanently altered. They have been severely impacted by a variety of factors. Business, government and society all have played contributory roles in this current economic crisis.

It is no secret that since the dawn of the industrial revolution that the role of labor has changed. Automation and modern manufacturing techniques have steadily reduced the demand for labor. As the cost of labor, as measured in wages and benefits, rises, it has become more cost efficient for industry to rely on greater automation. But it doesn't stop with automation. The rise of globalization and the outsourcing of employment to lower-wage countries has also served to reduce the demand for labor, particularly unskilled labor. In recent years, skilled labor jobs, from engineers to medical technology, have been sent overseas as well. This has served to act as a throttling factor in the rise of wages.

Forty years ago, in an environment like the one we are in today, a labor unions would sense their strong bargaining position, call a strike for higher wages and be reasonably assured that their demands would be met. Today, organized labor has lost much of its bargaining power. There are people all over the world who are willing to do the same work for far less income and benefits. Because of this, outsourcing has put a virtually impregnable lid on significant wage growth. The fewer skills you possess, the fewer the bargaining chips in your pocket.

Government has also played a significant role in the disruption of the labor supply-and-demand curve. It comes as no surprise to most readers of a political digest that the well-intentioned heavy hand of government has inserted the law of unintended consequences as the trump card over the laws of economics. Governmental programs and laws created during times of economic challenges never seem to be reduced or eliminated when times get better. Many of these programs have morphed from a safety net to a great disincentive to work.

Liberal unemployment subsidies and timelines, government-provided healthcare, government-provided food stamps, and subsidized government housing and other government giveaway programs all contribute to a reluctance of many people to enter the workforce. According to the Cato Institute, in a 2013 study, the maximum governmental benefits derived by someone willing to sit on the sidelines and collect the fruits of someone else's labor equates to about \$26,891 in Indiana. This would correspond to an hourly rate of \$12.92 per hour.

This \$12.92 per hour equivalency is an employer's competition. It begs the question, "Why should I take a job putting round pegs in round holes, flipping burgers or emptying bedpans for \$10, \$11 or \$12 per hour?" A potential worker might also ask, "Is the extra \$2.08 per hour enough to get me out of bed, dressed and miss Jerry Springer for a \$15-per-hour job?"

From an employer's perspective, just hiring a warm body costs larger businesses a minimum of \$1.73 to meet the employer mandate of Obamacare. If you throw in workman's compensation, unemployment insurance and the employer's share of Social Security, you quickly realize why businesses exhaust every possibility to disrupt the economic laws of labor supply and demand.

In addition, laws governing the employment of those who have had brushes with the law or who have minor drug- or alcohol-related offenses on their records further constrict the pool of available workers.

Finally, society, in all its many forms, plays a large role in our current employment crisis. Each influence exerted by society may just seem like a brick, but after a while you end up with a wall. Remember, the Great Wall of China started with the laying of a single stone! Or, as a Chinese philosopher stated, "The journey of a thousand miles begins with a single step."

First, and I guess this is what makes me a heartless conservative, is the virtual lack of stigma attached to living "off the system." In some quarters, it is almost a red badge of courage. You can talk about the speed of modern communications but if you really want to see fast, just watch how news spreads about a new government benefits program.

When I was a child, there was a very real social barrier to someone living on government benefits. Even in elementary school, you would hear kids talk about Billy's family living off the government and sense disapproval. Not anymore! I spoke a couple of years ago to an alternative school, and asked how many of their families were on government programs. I then asked how many of their grandparents were on government programs. Lastly, I asked how many of them expected to be on government programs.

Seventy percent of their families were on government assistance. Fifty percent of their grandparents received government support. The shocking number was that 18 out of 20 students expected to receive government support as adults. I just had to ask, "How many of you want to receive government support as an adult?" Only 50 percent of the students even aspired to be self-sufficient!

Another societal impact on our employment picture is a shortage of certain occupational degrees or training for available job

openings. Call me a dunderheaded nincompoop for thinking like this, but to me it is almost criminal for a college sophomore to declare a major in archaeology, philosophy or women's studies without the knowledge as to job opportunities available upon graduation. How many young college graduates working at Applebee's and living in their parents' basement might have made another choice of college majors had they known that ancient Sanskrit language degrees don't offer much of an employment future?

The crisis in Indiana is that we currently have thousands of jobs that are going unfilled. Many are mission critical to our state's future success. There are "Help Wanted" signs in front of prisons, in front of nursing homes, in front of agencies who work with the mentally and physically challenged. Now, when you go through a driveup window at McDonalds you are asked, "Would you like an order of fries with that hamburger and also, would you like a job?"

This employment crisis is bad now and apt to get worse in the future as our current workforce ages and birth rates decline. The time is fast approaching, if not already here, when we will happily receive immigrants, legal or not, to help fill our workforce. We get to choose whether our long-term solutions will be well thought out in advance or forced upon us by the urgency of the moment. It's time that we recognize the crisis before some serious damage is done to our economy. ❖

Dunn is the former Howard County Republican chairman



What's normal for Indiana property tax?

By **LARRY DeBOER**

WEST LAFAYETTE – Think of the changes in the Indiana property tax system between 1998 and 2010. The Indiana Supreme Court threw out the assessment system in December 1998. We started using market values for the



reassessment in 2003. In 2002, we changed the formula for calculating the maximum property tax levy, and created a huge deduction for homesteads. In 2004, we amended the Indiana Constitution to allow those big homestead deductions. In 2008, we increased them even more.

We phased out the property tax on inventories from 2003 to 2007. We began annual adjustments of property assessments in

2007, which we call trending. We eliminated the property taxes for school general funds in 2009. We put property tax caps in the Constitution in November 2010. That's a partial list.

In the midst of all this policy chaos, we had the worst recession since the Great Depression, so bad that it reduced the value of property. Our new assessment system caught that decline in property values, so assessed value actually decreased for a couple of years.

Practically every year for 12 years, policy changes or economic disruptions rocked Indiana's property tax system. By the end of it all, we had no idea what "normal" looked like. In a normal year, how much would the assessed value of property grow? How much would the tax levy increase? How would tax rates and tax cap credits change? There was no way to know.

We've had fewer policy changes since 2010. Now, two economic measures that affect our tax system are back to normal. In the 20 years between the recession of 1981-82 and the Great Recession, Indiana home prices increased about 4% per year, on average. They fell by a point a year during the recession, but in the past two years they're back to 4% increases. Trending captures the home price changes in assessments, and homesteads are a third of taxable assessed value.

The maximum levy restricts the amount that Indiana local governments can raise with the property tax. The assessed value growth quotient (AVGQ) allows the maximum to increase each year by the six-year average percent change of Indiana non-farm personal income. From 2011 to 2016, the AVGQ included the income change for 2009, which was negative 3%. That was the Great Recession at its worst. It's the only negative number in the income series in the past 60 years.

That negative number dropped out of the AVGQ calculation for 2017, and the allowable growth rate jumped from 2.6% to 3.8%. We'll see a number near 4% for 2018 too.

With these two indicators back to normal, 2017 may give a clue about what normal looks like for Indiana property taxes. Statewide gross assessed value increased by 2.2% in 2017. After deductions, taxable assessed value increased by 2%. The total property tax levy before credits increased by 2.5%.

The property tax rate is the levy divided by taxable assessed value. Since the levy increased half a percent more than assessed value, the average tax rate increased from \$2.44 to \$2.46 per \$100 assessed value.

Tax cap credits keep tax bills under the constitutional caps. They are taxes that local governments levy but taxpayers don't pay. When tax rates increase, more taxpayers become eligible for more tax cap credits. Credits rose from 10.5% of the levy in 2016 to 10.8% of the levy in 2017.

After the tax cap and local income tax credits, net tax bills increased by 2%, half a point less than the levy before credits. The implied net tax rate, calculated by dividing tax bills by net assessed value, stayed nearly constant at \$2.07 per \$100 assessed value.

So here's a guess about normal, based on just one year. Gross and net assessed value grow between 2% and 3%. The levy increases a little more than that, causing the average tax rate to rise slightly. That increases tax cap credits, which hold the tax bill increase closer to the rise in assessed value. The implied net tax rate is unchanged. Results for local governments will vary a lot around the statewide averages.

Maybe that's normal. Maybe it's not. If our economic expansion keeps going for a while, we can find out. ❖

DeBoer is a professor of agricultural economics at Purdue University.

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Why we need to scrap the debt ceiling

By **LEE HAMILTON**

BLOOMINGTON – Using the debt ceiling as a means of reining in excessive spending has not worked. Our political efforts should go toward finding long-term solutions that restrain spending and boost tax revenue.

Back when I was in Congress, I got a call from a constituent one day. I'd recently voted to raise the nation's debt ceiling, and the man was more than irate. "Don't you understand that we've got a serious spending and debt problem in this country?" he asked. "Why did you cast this idiotic vote?"



He was right about the problem. But he was wrong about the vote. With Congress fast approaching another debt-ceiling vote and yet one more "fiscal cliff" drama taking shape, I'd like to explain why that is.

If you ask members of Congress which regular vote they most dread, this one would probably top the list. It's hard to explain to constituents why raising the debt ceiling is necessary, as indeed I had trouble explaining to my own constituent. It's an unpopular vote to cast, and many members simply will not do it. Yet they recognize that if a majority of their colleagues sided with them and voted against raising the ceiling, we'd be in deep economic trouble.

The key thing to understand is that raising the debt ceiling is not about increasing spending. It's about paying the bills for purchases we've already made. Refusing to increase the debt ceiling is like putting your child in day care so you can work, getting your transmission repaired so you can get there, and buying work boots and a hard hat so you can stay safe – and then telling your preschool, mechanic and local storekeeper you have no intention of paying them. Only, if our nation were to do this, the results would include plummeting investment, rocketing interest rates, and an economic downturn that could be catastrophic.

At the moment, our debt is about \$20 trillion, or about \$160,000 for every household in the U.S. We have to find a long-term path to deficit reduction, through spending reductions, increased taxes, or a combination of the two. But using the debt ceiling as a means of reining in excessive spending has not worked since an aggregate ceiling was put in place almost 80 years ago. The political capital devoted to raising the ceiling every year would be far better spent putting us on a sustainable budget path.

Indeed, I'd argue that the nation would be better off scrapping the debt ceiling altogether. I know of no

other major country that has a debt ceiling requirement. It has become a political football. Rounding up the votes takes a huge amount of precious legislative time and energy. Most people in Washington understand that a default by the United States would be calamitous for our own economy and for the world's, which means that once we put the debt ceiling requirement in place, this bill simply must pass. This, in turn, gives members of Congress great leverage to try to get something else they want.

Right now, congressional leaders are stumped. Members of the Republican majority don't want to vote for raising the ceiling, but the leadership knows that they control the government and can't simply let it default on its payments. So, much to their chagrin, they'll mostly likely have to negotiate with the Democrats and with Republicans who can be won over, handing members the chance to exact policy concessions that should instead be considered on their own merits. Even the run-up to an eventual vote is likely to be chaotic, risking a dip into a recession by damaging confidence in our economy.

This yearly battle isn't worth it. The issue isn't the debt ceiling, it's the debt itself and deficit spending. Our political efforts should go toward finding long-term solutions that restrain spending and boost tax revenue. With all the built-in spending we have – Social Security, Medicare, defense spending and the like – the deficit problem is only going to get worse if we don't address it now.

It's worrisome that there appears to be no plan to address the debt ceiling in Congress, despite pleas from the president's economic advisers to do so by the end of July. It's even more worrisome that congressional leaders don't appear ready to address the core need: realistic, long-term deficit reduction. ❖

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Supreme Court reinstates

part of Trump travel ban

WASHINGTON – The Supreme Court on Monday permitted a scaled-back version of President Trump's ban on travelers from six mostly Muslim countries to take effect, deciding to hear the merits of the case in the fall but allowing Trump for now to claim a victory in the legal showdown (Washington Post). The court's unsigned order delivered a compromise neither side had asked for: It said the government may not bar those with a "bona fide" connection to the United States, such as having family members here, or a job or a place in an American university. ❖

Government aid to individuals

By **MORTON MARCUS**

INDIANAPOLIS – My friends have differing views about the money governments give to individuals. Some think it is immoral for any government to give money to people; it weakens individual responsibility and the effort to care for oneself. Others believe such transfers are necessary to keep the underclass from revolting against established authority.



Still others foresee economic collapse if low income consumers do not spend enough to sustain a vigorous business environment. On the high ground stand those affirming governments are our agents, fulfilling our moral responsibility to care for the poor, the infirm, and the disadvantaged.

Every federal, state, and local transfer program has both its supporters, who feel the warmth of social benefits, and its detractors, who detect the evil whiff of social decay. The

following facts will not change the fixed perceptions of my friends.

Government transfers to individuals exceeded \$2.6 trillion in 2015. Hoosiers had \$53 billion or two percent of that total. Nationally, transfers from governments accounted for 16.8% of personal income, while in Indiana the figure was 19.1%. That's nearly one in every five dollars of Hoosier income came in the form of government assistance. Indiana ranked 21st in the nation in percent of personal income derived from transfers.

Of course, many folks don't consider Social Security retirement payments to be government assistance. They think those funds are from money we paid in and to which we are entitled. Believe what you will, but Social Security payments amounted to \$20.7 billion or 39% of total transfers to Hoosiers.

Even larger were the \$23 billion (43% of transfers) providing medical benefits to Hoosiers. These were divided as \$12.7 billion for Medicare and \$10 billion for Medicaid. These dollars do not go into the pockets of Hershel & Harriet Hoosier. They go to medical service and product providers on behalf of Hershel and Harriet. Cutbacks in these health maintenance programs will hurt not only Hershel and Harriet, but also the people (doctors, nurses, attendants, clerks, factory workers, sales persons and others) who attempt to keep them healthy.

These two categories (retirement/disability and medical benefits) account for more than 82% of all gov-

ernment transfers. Ten of the remaining 18% is income maintenance and unemployment compensation combined. These include the Earned Income Tax Credit, the food/nutrition programs (WIC and SNAP) programs, foster home care and adoption assistance. The balance of these monies provides veteran benefits, education and training, plus a small miscellaneous category.

Cutting back or enlarging these programs raises questions of who benefits and who loses from such policies. The national discussion focuses on income (the rich vs the poor), but other factors are worth considering. Many of our transfer dollars go to older Americans from taxes on younger citizens. Workers in medical and related companies benefit at the expense of other worthwhile persons and establishments.

My friends have strong views on these matters. I'll bet you do too. ❖

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Holcomb signs expanded Pre-K bill

CNHI Statehouse Bureau

INDIANAPOLIS – Gov. Eric Holcomb ceremonially signed a bill Monday that expands pre-kindergarten options after asking 14 preschool students to give a "double thumbs-up" for the legislation.

"These kids are going to get off to a great start and we know how critically important that is," Holcomb said.

House Enrolled Act 1004 expands pre-K for low-income families from five to 20 Hoosier counties.

The bill increases funding for the On My Way Pre-K program by \$10 million annually to \$22 million.

In a statement, House Speaker Brian Bosma, R-Indianapolis, said, "Expanding high-quality early learning opportunities for more low-income children and rural communities is key to helping close the achievement gap, and has been a long-term goal of House Republicans."

At the signing, Bosma added, "Low-income young people throughout Indiana will have an opportunity for this and we won't rest until every low-income family has that same opportunity."

The 14 students attend the early learning center at the Indianapolis government building.

The new counties added to the On My Way Pre-K program are Bartholomew, DeKalb, Delaware, Elkhart, Floyd, Grant, Harrison, Howard, Kosciusko, Madison, Marshall, Monroe, St. Joseph, Tippecanoe and Vigo. ❖

Bob Zaltsberg, Bloomington Herald-Times: A lot of the national news last week focused on how best to deliver health care to the most people in the United States. That includes Hoosiers, of course, and Monroe Countians. Here are some thoughts. Republican Congressman Charlie Dent from Pennsylvania was interviewed on NPR's "Morning Edition" on WFIU Friday morning about the Senate version of the bill that would repeal and replace the Affordable Care Act, aka Obamacare. He made more sense than usually comes out of Washington these days. He said he wanted to hear an analysis from the Congressional Budget Office, which said the House version of a replacement for Obamacare, which he did not support, would mean 23 million people would likely lose insurance coverage. He wanted to hear from people in his district: patients, patient advocates and health care providers. He's not an all-or-nothing guy. He said "we need to do something" to fix the problems of the Affordable Care Act, but realizes not all of it is a problem. He said he's been talking with Democratic members of the House "who have acknowledged they want to fix some things and we've started hashing out some ideas." "We all know parts of this law will need to be repealed, parts of it replaced, parts of it repaired, reformed and overhauled and parts of it retained. We have to get our rhetoric right on this," he said. It was a refreshing departure from choosing sides with no middle acknowledged or sought. ❖



Jeff Ward, Muncie Star Press: Over the next year, Ivy Tech will be changing its organizational structure to make it more responsive to community needs. Ivy Tech students can relax because the changes won't affect course offerings, classes and staff. That's what Ivy Tech President Sue Ellspermann said in a visit to Muncie on Tuesday. Ivy Tech will move from 14 regions to 19 campuses. The changes will give local campuses, such as the ones in Muncie and Richmond, more autonomy. Each campus will have a chancellor. Ivy Tech will have those key people in place by Aug. 1. Ellspermann said no campuses or educational sites will close. She stressed the move was not an effort to reduce personnel. "This really was a clean slate," Ellspermann said. She's been president of Ivy Tech for about a year, but heard concerns about the regional concept in place when she arrived, especially with some chancellors driving more than 55,000 miles in nine months. "It became pretty apparent by fall that we needed to move more quickly," with the reorganization plan, she said. A team was formed with representation from each region and from all levels of staffing. About 200 interviews were conducted and then the team "literally designed the future," Ellspermann said. "We really didn't let the traditional regional lines define things, but looked at the communities and the campuses." "Going forward, a campus can grow" Ellspermann said. "If Muncie really grows, it can

become a C1 by enrollment and completions." ❖

Michael Mukasey, Wall Street Journal: What exactly is Special Counsel Robert Mueller investigating? The basis in law—regulation, actually—for Mr. Mueller's appointment is a finding by the deputy attorney general that "criminal investigation of a person or matter is warranted." According to some reports, the possible crime is obstruction of justice. The relevant criminal statute provides that "whoever corruptly . . . influences, obstructs or impedes or endeavors [to do so], the due and proper administration of the law under which any pending proceeding is being had," is guilty of a crime. The key word is "corruptly." President Trump's critics describe two of his actions as constituting possible obstruction. One is an alleged request to then-FBI Director James Comey that he go easy on former national security adviser Michael Flynn, who was under investigation for his dealings with Russia and possible false statements to investigators about them. According to Mr. Comey, Mr. Trump told him, "I hope you can see your way clear to letting this go, to letting Flynn go," because "he is a good guy." An obstruction charge based on that act would face two hurdles. One is that the decision whether to charge Mr. Flynn was not Mr. Comey's. As FBI director, his job was to supervise the investigation. It is up to prosecutors to decide whether charges were justified. The president's confusion over the limits of Mr. Comey's authority may be understandable. Mr. Comey's overstepping of his authority last year, when he announced that no charges were warranted against Hillary Clinton, might have misled Mr. Trump about the actual scope of Mr. Comey's authority. Nonetheless, the president's confusion could not have conferred authority on Mr. Comey. The other is the statutory requirement that a president have acted "corruptly." In *Arthur Andersen LLP v. U.S.* (2005), the U.S. Supreme Court accepted the following definition: that the act be done "knowingly and dishonestly, with the specific intent to subvert or undermine the integrity" of a proceeding. Taking a prospective defendant's character into account when deciding whether to charge him—as Mr. Comey says Mr. Trump asked him to do—is a routine exercise of prosecutorial discretion. It is hard to imagine that a properly instructed jury could decide that a single such request constituted acting "corruptly"—particularly when, according to Mr. Comey, Mr. Trump also told him to pursue evidence of criminality against any of the president's "'satellite' associates." The second act said to carry the seed of obstruction is the firing of Mr. Comey as FBI director. The president certainly had the authority; it is his motive that his critics question. The statement to Russian diplomats, which might have been intended to put the Russians at ease, collides with the simple fact that an investigation—conducted by agents in the field—proceeds regardless of whether the director continues in office, and thus hardly suggests the president acted "corruptly." ❖

Holcomb coy on Senate health bill

WASHINGTON — Gov. Eric Holcomb on Monday avoided taking a strong stance on the Senate health care plan under consideration even though it could cost the state billions in funding to help poor, disabled and elderly Hoosiers (Kelly, Fort Wayne Journal Gazette). "Ultimately there will be some hard decisions that have to be made, both federally speaking and at the state level," he said. "I will be prepared to make sure that we care for Hoosiers ... We'll see what hand we're dealt." At the core of the bill is \$772 billion in Medicaid cuts from 2017 to 2026, according to a review posted Monday by the nonpartisan Congressional Budget Office. Spending on the program would decline in 2026 by 26 percent in comparison with current law. State officials declined to release any estimates for Indiana losses but the price will be high. Federal Medicaid assistance to Indiana currently tops \$7 billion a year. Holcomb said the bill is changing as he spoke and he is withholding judgment even though a vote could come this week. He said the state wants flexibility and responsibility to decide how to care for its citizens. "We'll treat our citizens like people, not like numbers," Holcomb said.

Donnelly presses Holcomb on health

INDIANAPOLIS — Sen. Joe Donnelly, D-Ind., wants GOP Gov. Eric Holcomb to spell out how the health care bill the Senate is expected to vote on this week would impact Indiana — particularly how the cuts in Medicaid funding would affect those who recently gained coverage and those struggling with addiction (Groppe, IndyStar). "Before voting on this bill," Donnelly wrote in a letter to Holcomb, "it's important for me

to understand how it would impact Hoosiers, including the state, health care providers, and most importantly, the health and financial security of Hoosier families." Donnelly opposes the bill, which was released Thursday and slightly revised Monday. The Indiana Hospital Association came out against the legislation Monday, saying it threatens the future of Indiana's successful Medicaid expansion, and would substantially reduce support for Indiana's overall Medicaid program. Indianapolis-based Anthem, however, said in a statement Monday that while the bill



proposes challenges to Medicaid, it would markedly improve the stability of the individual market and moderate premium increases.

Pence will try to save Senate bill

WASHINGTON — With the fate of Republicans' Obamacare repeal bill hanging in the balance, Vice President Mike Pence is swooping in to see if he can work out a deal to secure the 50 votes needed to pass it through the Senate (Politico). Pence will host a group of conservative GOP senators including Utah's Mike Lee for dinner on Tuesday to discuss their concerns with the legislation. Invitations have also been extended to Oklahoma Sen. James Lankford and Arkansas Sen. Tom Cotton. Sen. Ben Sasse was also invited to the dinner, although it is unclear whether he will attend; a Sasse aide said the Nebraska Republican is "engaging frequently with the vice president and his team."

Carson defends Leader Pelosi

WASHINGTON — Rep. André Carson (D-Ind.) defended House Minority Leader Nancy Pelosi (D-Calif.) on Sunday, saying on CNN that while everything hasn't been "perfect," Pelosi has been a "phenomenal leader" (Beavers, The Hill). "She's formidable. Since she's been in leadership, she's

raised over half a billion dollars for the party, she's been more inclusive. Who would have thought she would have listened to me and put a Muslim on the Intelligence Committee. She's visionary. I don't want to see Pelosi leave and we bring in a more refined, more polished, and younger good old boys club," Carson added.

Holcomb, Crouch set 10-year ag plan

INDIANAPOLIS — The state's Department of Agriculture plans to implement a wide-ranging strategy to promote Indiana's 57,500 farming operations over the next 10 years, officials announced Monday (Miley, CNHI). The presentation of the plan, made to about 200 agriculture representatives at The Ritz Charles event center in Carmel, also drew Gov. Eric Holcomb and Lt. Gov. Suzanne Crouch to the podium. "Having a plan is critically important. It's also important to the market so that folks know there is certainty and predictability when they are looking at where to invest," said Holcomb. "So this plan is right down that strike zone. It will play a critical part in us continuing to grow our ag investments."

Mayor Henry sees push on climate

FORT WAYNE — Upon his return to Fort Wayne on Monday night from the U.S. Conference of Mayors, Mayor Tom Henry said he wasn't surprised energy and the environment prompted much discussion at the annual meeting (Fort Wayne Journal Gazette). "Many of us were concerned about the United States pulling out of the Paris pact," Henry said. The move confused countries that depend on the U.S. for guidance and direction, he said. "We felt it was the wrong statement to make to the rest of the world," he said, adding that's why he and the other mayors "did what we did." Mayors voted on resolutions pushing back against President Donald Trump on climate change.